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ORAL HISTORY COLLECTION

Narrator C. Douglas Dillon Address New York, N.Y.

Biographical information:

Director of the U.S. and Foreign Securities Corporation and U.S. and International Securities Corporation, 1937-71; Ambassador to France, 1953-57; Under Secretary of State for Economic Affairs, 1958-59; Under Secretary of State, 1959-60; Secretary of the Treasury, 1960-65.

Interviewer Paige Mulhollan

Position or relationship to narrator U.T. Oral History Project

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General topic of interview:

The activities of Douglas Dillon as Secretary of the Treasury; following his retirement his role as advisor to the President on Viet Nam; Johnson's views on the Department of the Treasury.

Date	Place	Length
<u>6/29/69</u>	<u>New York, N.Y.</u>	<u>29 pages</u>
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Tape index:

Page or estimated
time on tape

Subject(s) covered

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| 1 | Secretary of the Treasury appointed by President Kennedy in 1961 and retained by President Johnson
Positions he held during the Eisenhower Administration
Describes his relationship with Johnson in the Eisenhower Administration |
| 2 | Discusses the State Department Appropriations Bill and the Foreign Aid Bill which he talked to Johnson about in 1959 and 1960 |
| 4 | Explains why he and Johnson did not deal regularly together on Foreign policy matters |
| 5 | President Kennedy's insistence that his Vice-President be in on decision making |

responsibility. Mr. Dulles put me into that job, and it carried on with Mr. Herter--made it very clear that I was where the buck stopped in the State Department as far as that sort of thing was concerned.

They would help me by talking to the President, or if they had to for formality go up and testify once they'd do it, but they were not going to get involved in trying to pass the bills and doing all the work you have to do to carry through difficult legislation of the type that all this was.

M: After he became Vice President, as someone that he knew fairly well from associations before that time, did you continue any particular association with him on regular projects?

D: Well, we would talk occasionally on foreign policy matters. It wasn't really very much, because of two reasons. One was that President Kennedy, one of his first acts was to do away with the National Security Council, which provided the forum where he would meet with other people like that. The second one was that in running foreign policy, he, at least initially or maybe all the way through, relied a lot less on the Secretary of the Treasury than had been the case before. So I wasn't involved in foreign policy things at all until the Cuban Missile Crisis came along, when I was involved. But I rather think, and I think President Kennedy made that rather clear, that this was more because he wanted me there as an individual rather than in the capacity of being Secretary of the Treasury. So during that period, that two weeks or whatever it was, at those meetings I sat next to Vice President Johnson. That's where our seat was at the table and we saw many of the problems in a somewhat similar fashion. So I think we sort of renewed old

acquaintanceship, or friendship, or whatever you want to call it at that time. But that was, I would say, the only time that I would recall we worked together closely.

On domestic legislation and tax legislation which I had, I handled that again myself. It was more technical with those committees, and did not require help from the Vice President. So we didn't have much-- we were all very busy--we didn't have much chance to just sit down and converse.

M: Was Mr. Johnson definitely in on all of the important meetings, as far as you know, on such a crisis as the Cuban Missile Crisis?

D: Oh, very definitely, very definitely. President Kennedy was very strong about that, very clear because he was always conscious of the fact that something could happen and in an important thing like that he wanted the Vice President fully informed all the way along. Now that doesn't necessarily mean that he was counting very heavily on the Vice President's advice, necessarily. But he sat there and he heard all the same things that President Kennedy heard from the same people and was fully conscious of everything that had happened, so in the middle of the Cuban Missile Crisis, if the assassination had occurred then, he would have been just as well prepared as the President himself.

M: Did Mr. Johnson frequently render his own advice in those sessions, or was he mostly just an observer or listener?

D: Well, I think the way it was, the President would go around and ask different people to talk, and he always asked the Vice President too. But I think--if I recall--the Vice President was rather careful not to

take too strong a position there because I don't think he felt that he was representing a department with all this flow of information. He wasn't really called on in the same way as the rest of us were, anymore than we would sort of ask the President to make up his mind before he'd heard everything. Because they were the people who were listening and getting information on the views that were coming from the people who had the detailed information flowing in. It was a little different function.

M: You said that you and he had similar thoughts along that time. Was that a particular point of view that was perhaps different from the one ultimately decided upon?

D: I think by the time it was ultimately decided the views of everybody shook down pretty well. So it wasn't the sort of a decision you're right or you're wrong, with the possible exception of some of the suggestions of Mr. Stevenson that were not taken. But I think he agreed with the final action, so I don't think there was any real decision that way. But during this thing, as it was going along, there were clearly differences of views put forth. I think my view was one of-- initially at least--a somewhat firmer view even of that of some of the others there and I think the Vice President shared in that, that it was absolutely necessary to stand firm. We finally did, so it was all right.

M: It didn't come down to an either/or disagreement at any time like that. Then you served on through the transition period, which, of course, is a very critical one for understanding Mr. Johnson. Was there a break between the presidencies--was there for example a difference in view-